

By: Morrison, Brown of Brazos

H.B. No. 3015

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the tuition charged and financial assistance funded by
3 tuition charged to students of institutions of higher education and
4 to a study of the accessibility and availability of graduate and
5 professional programs.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 54.0513, Education Code, is amended to
8 read as follows:

9 Sec. 54.0513. DESIGNATED TUITION [~~REDESIGNATION OF~~
10 ~~BUILDING USE FEE~~]. (a) [~~The building use fee previously authorized~~
11 ~~in Section 55.16 of this code is redesignated as tuition.~~

12 [~~(b)~~] In addition to amounts that a governing board of an
13 institution of higher education is authorized to charge as tuition
14 under the other provisions of this chapter, the governing board is
15 authorized to charge an amount designated as tuition in an academic
16 year an amount not to exceed the amount charged under Sections
17 54.051 or 54.0512, as applicable, in that academic year.

18 (b) In addition to the amounts authorized by Subsection (a),
19 the governing board of an institution of higher education may
20 charge a resident undergraduate student an additional amount
21 designated as tuition as follows:

22 (1) for the 2003-2004 academic year, an amount not to
23 exceed \$23 per semester credit hour;

24 (2) for the 2004-2005 academic year, an amount not to

1 exceed \$46 per semester credit hour;

2 (3) unless otherwise expressly provided by this code
3 and subject to Subsection (e), for the 2005-2006 academic year, an
4 amount the governing board considers necessary, and charged under
5 the terms the governing board considers appropriate, for the
6 effective operation of the institution; and

7 (4) unless otherwise expressly provided by this code,
8 for the 2006-2007 academic year and thereafter, an amount the
9 governing board considers necessary, and charged under the terms
10 the governing board considers appropriate, for the effective
11 operation of the institution, not to exceed the amount the
12 institution charged in the 2005-2006 academic year for a resident
13 undergraduate student in the same degree program.

14 (b-1) The maximum amounts of tuition permitted by
15 Subsection (b) are in addition only to the tuition amounts
16 authorized by Subsection (a). A governing board of an institution
17 of higher education may not increase the maximum amount of tuition
18 by combining or aggregating the additional amounts permitted by
19 Subsections (b)(1) and (b)(2).

20 (c) For a nonresident student or a student enrolled in a
21 graduate or professional degree program, the governing board of an
22 institution of higher education may charge amounts designated as
23 tuition in the amounts and under the terms the governing board
24 considers necessary for the effective operation of the institution.

25 (d) A governing board may set a different tuition rate for
26 each program and course level offered by each institution of higher
27 education. A governing board may set a different tuition rate as

1 the governing board considers appropriate to increase graduation
2 rates, encourage efficient use of facilities, or enhance employee
3 performance. This subsection does not authorize a governing board
4 to set tuition in violation of a limitation provided by another
5 provision of this chapter.

6 (e) In an academic year to which Subsection (b)(3) applies,
7 an institution of higher education may not charge tuition under
8 Subsection (b) in excess of the amount provided by Subsection
9 (b)(2) unless the institution is certified by the Texas Higher
10 Education Coordinating Board to have made satisfactory progress
11 since the preceding year toward the accessibility goals established
12 by the coordinating board in the master plan for higher education
13 and in Closing the Gaps by 2015. For each institution that the
14 coordinating board determines has not made satisfactory progress
15 toward those goals, the coordinating board shall establish criteria
16 that the institution must meet to be considered to be making
17 satisfactory progress toward those goals by the next January 1. Not
18 later than September 1, the governing board of the institution must
19 prepare and submit to the coordinating board a plan for the
20 institution's efforts to make satisfactory progress toward those
21 goals, together with information required by the coordinating board
22 to assist the coordinating board to evaluate the progress of the
23 institution in meeting the goals, including information on the
24 race, ethnicity, and economic background of the institution's
25 student body and most recent entering class.

26 (f) Notwithstanding the other provisions of this section,
27 the governing board of an institution of higher education may not

1 increase the rate of tuition charged to a resident student under
2 this section from the applicable rate for the preceding academic
3 year by a greater percentage than the percentage of any increase in
4 the rate of tuition charged to a similarly situated nonresident
5 student under this section from the applicable rate for the
6 preceding academic year. For purposes of this subsection, a
7 resident student is similarly situated to a nonresident student if
8 the factors affecting the tuition that would be charged to those
9 students, other than Texas residency status, are the same,
10 including the degree program in which the students are enrolled,
11 whether the students are enrolled in a regular semester or summer
12 term, and the course load for which the students are enrolled.

13 (g) Amounts collected by an institution of higher education
14 under this section are institutional funds as defined by Section
15 51.009 [~~of this code~~] and shall be accounted for as designated
16 funds. These funds shall not be accounted for in a general
17 appropriations act in such a way as to reduce the general revenue
18 appropriation to a particular institution.

19 (h) [~~(d)~~] A governing board may waive all or part of the
20 tuition charged to a student under this section if it finds that the
21 payment of such tuition would cause an undue economic hardship on
22 the student.

23 (i) [~~(e)~~] Section 56.033 of this code requiring certain
24 percentage amounts of tuition to be set aside for grants and
25 scholarships does not apply to tuition collected under this
26 section.

27 (j) [~~(f)~~] A governing board of an institution of higher

1 education may continue to charge as tuition under this section the
2 amount that it charged as the building use fee at that institution
3 in the 1996-1997 academic year without holding a public hearing,
4 but may not increase tuition under this section above that amount
5 without holding a public hearing.

6 (k) An institution of higher education may not charge an
7 undergraduate student tuition under Subsection (b) or (c) in an
8 academic year unless the institution applies the same admissions
9 criteria to all freshman admissions to that academic year.

10 SECTION 2. Chapter 56, Education Code, is amended by adding
11 Subchapter B to read as follows:

12 SUBCHAPTER B. FINANCIAL ASSISTANCE FUNDED

13 FROM DESIGNATED TUITION

14 Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

15 (a) The governing board of each institution of higher education
16 shall cause to be set aside not less than 20 percent of any amount of
17 tuition charged to a resident undergraduate student under Section
18 54.0513 in excess of \$46 per semester credit hour. The funds set
19 aside under this section by an institution shall be used to provide
20 financial assistance for resident undergraduate students enrolled
21 in the institution.

22 (b) To be eligible for assistance under this section, a
23 resident undergraduate student must establish financial need in
24 accordance with rules and procedures established by the Texas
25 Higher Education Coordinating Board. Priority shall be given to
26 resident undergraduate students who meet the coordinating board
27 definition of financial need, and whose cost for tuition and

1 required fees is not met through other non-loan financial
2 assistance programs.

3 (c) The financial assistance provided under this section
4 may include grants, scholarships, and work-study programs.

5 Sec. 56.012. NONRESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

6 (a) The governing board of each institution of higher education
7 shall cause to be set aside not less than three percent of any
8 amount of tuition charged under Section 54.0513 to a nonresident
9 undergraduate student in excess of \$46 per semester credit hour.
10 The funds set aside under this section by an institution shall be
11 used to provide financial assistance for nonresident undergraduate
12 students enrolled in the institution.

13 (b) To be eligible for assistance under this section, a
14 nonresident undergraduate student must establish financial need in
15 accordance with rules and procedures prescribed by the Texas Higher
16 Education Coordinating Board. Priority shall be given to
17 nonresident undergraduate students who meet the coordinating board
18 definition of financial need, and whose cost for tuition and
19 required fees is not met through other non-loan financial
20 assistance programs.

21 (c) If the funds set aside under this section exceed the
22 amount required to provide financial assistance to each eligible
23 nonresident undergraduate student, the institution may use the
24 excess funds to provide the same type of financial need for students
25 who qualify for financial assistance under Section 56.011.

26 Sec. 56.013. RESIDENT GRADUATE STUDENT ASSISTANCE. (a)

27 The governing board of each institution of higher education shall

1 cause to be set aside not less than 15 percent of any amount of
2 tuition charged to a resident student enrolled in a graduate or
3 professional degree program under Section 54.0513 in excess of \$46
4 per semester credit hour. The funds set aside under this section by
5 an institution shall be used to provide financial assistance for
6 resident students enrolled in graduate and professional degree
7 programs at the institution.

8 (b) To be eligible for assistance under this section, a
9 student enrolled in a graduate or professional degree program must
10 establish financial need in accordance with rules and procedures
11 established by the Texas Higher Education Coordinating Board.
12 Priority shall be given to students who meet the coordinating board
13 definition of financial need and whose cost for tuition and
14 required fees is not met through other non-loan financial
15 assistance programs.

16 (c) The financial assistance provided under this section
17 may include grants, scholarships, and work-study programs.

18 Sec. 56.014. INFORMATION REGARDING FINANCIAL ASSISTANCE
19 FUNDED FROM DESIGNATED TUITION. The Texas Higher Education
20 Coordinating Board shall disseminate to each public or accredited
21 private high school in this state information regarding the
22 financial assistance available under this subchapter and shall
23 include information designed to educate high school students and
24 the parents of those students on available opportunities and
25 required preparation with respect to institutions of higher
26 education. The coordinating board shall recommend a method of
27 delivery of the information to parents and students under this

1 section.

2 SECTION 3. Subchapter H, Chapter 51, Education Code, is
3 amended by adding Section 51.4031 to read as follows:

4 Sec. 51.4031. REPORTS OF AFFORDABILITY AND ACCESS. (a) Not
5 later than November 30, 2004, the chief executive officer of each
6 institution of higher education, as defined by Section 61.003,
7 shall provide to the governing board of the institution a report for
8 the preceding fall, spring, and summer semesters that examines the
9 affordability and access of the institution.

10 (b) The report must include:

11 (1) statistical information on the percentage of gross
12 family income required for a student who is a resident of this state
13 to pay tuition and required fees charged by the institution;

14 (2) the criteria used by the institution to admit
15 students to the institution;

16 (3) an analysis of the criteria used to admit students
17 and to award financial assistance to students, considering the
18 mission of the institution and the purposes of higher education in
19 this state;

20 (4) an analysis of the manner in which the factors
21 described by Subdivisions (1)-(3) relate to:

22 (A) the regions of this state in which students
23 reside;

24 (B) the race or ethnicity of students;

25 (C) the gender of students; and

26 (D) the level of education achieved by the
27 parents of students; and

1 (5) comparisons of the institution with peer
2 institutions in this state and in other states with respect to
3 affordability and access.

4 (c) For purposes of the report, a student who applies for
5 admission to or enrolls in an institution and applies for financial
6 aid from the institution may be required to provide documentation
7 necessary for the institution to complete the report.

8 (d) An institution's report must be in the form prescribed
9 by the Texas Higher Education Coordinating Board in consultation
10 with the institution.

11 SECTION 4. Section 54.624, Education Code, is amended to
12 read as follows:

13 Sec. 54.624. SENIOR COLLEGE PLAN. (a) Through the senior
14 college plan, a prepaid tuition contract shall provide prepaid
15 tuition and required fees for the beneficiary to attend a public
16 senior college or university for a specified number of
17 undergraduate credit hours not to exceed the typical number of
18 hours required for a baccalaureate degree awarded by a public
19 senior college or university.

20 (b) When the beneficiary of a senior college plan prepaid
21 tuition contract enrolls in a public senior college or university,
22 the university shall accept as payment in full of the beneficiary's
23 tuition and required fees the lesser of:

24 (1) the amount of tuition and required fees charged by
25 the institution; or

26 (2) an amount paid by the board under the contract
27 equal to the weighted average amount of tuition and required fees of

1 all public senior colleges and universities for that semester or
2 other academic period as determined by the board.

3 (c) Each public senior college or university shall provide
4 the information requested by the board on or before June 1 each year
5 to assist the board in determining the weighted average amount of
6 tuition and required fees of all public senior colleges and
7 universities for each semester or other academic term of the
8 following academic year for purposes of this section.

9 SECTION 5. The Texas Higher Education Coordinating Board
10 shall conduct a study of the accessibility and availability of
11 graduate and professional programs in institutions of higher
12 education in this state. Not later than January 1, 2004, the board
13 shall report the results of the study, together with any
14 recommendations for improving the accessibility and availability
15 of these programs, to the lieutenant governor, speaker of the house
16 of representatives, and the members of the legislature.

17 SECTION 6. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2003.